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AGRICULTURAL IMPORTS

THEIR SIGNIFICANCE TO AMERICAN FARMERS

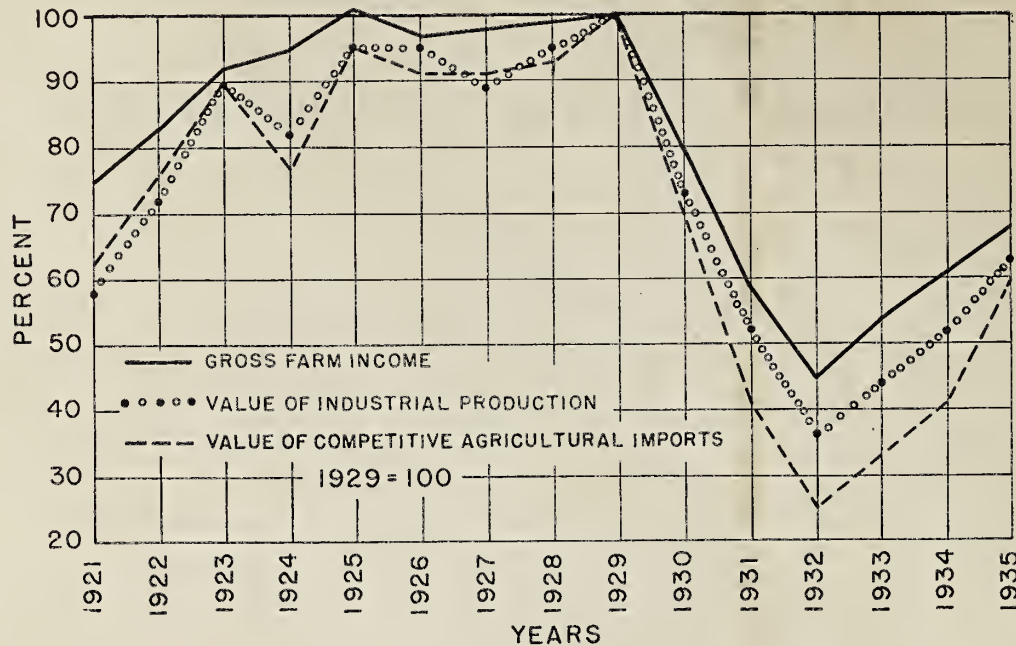
When farm prices in the United States are relatively high, the imports of competitive agricultural products tend to increase because it becomes profitable to sell upon the markets of this country in spite of paying the tariff. When farm prices are relatively low in this country, it is impossible for foreign producers to pay the tariff and sell their products at a profit; consequently, the imports of competitive agricultural products tend to decrease. These facts explain why, during the period 1921-35, the volume of imports of competitive agricultural products has varied with the rise and fall of farm prices and income.

Increasing imports of competitive agricultural products are not a cause of increasing farm prices, but are merely a sign that farm prices are rising high enough to make possible increased imports of such products.

Variations in the volume of competitive agricultural imports are chiefly a result of price changes rather than a cause of change in the farm price level, because the greatest factor affecting the level of farm prices is the demand for and supply of agricultural commodities within the United States.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

IMPORTS OF COMPETITIVE AGRICULTURAL PRODUCTS IN RELATION TO GROSS FARM INCOME AND VALUE OF INDUSTRIAL PRODUCTION



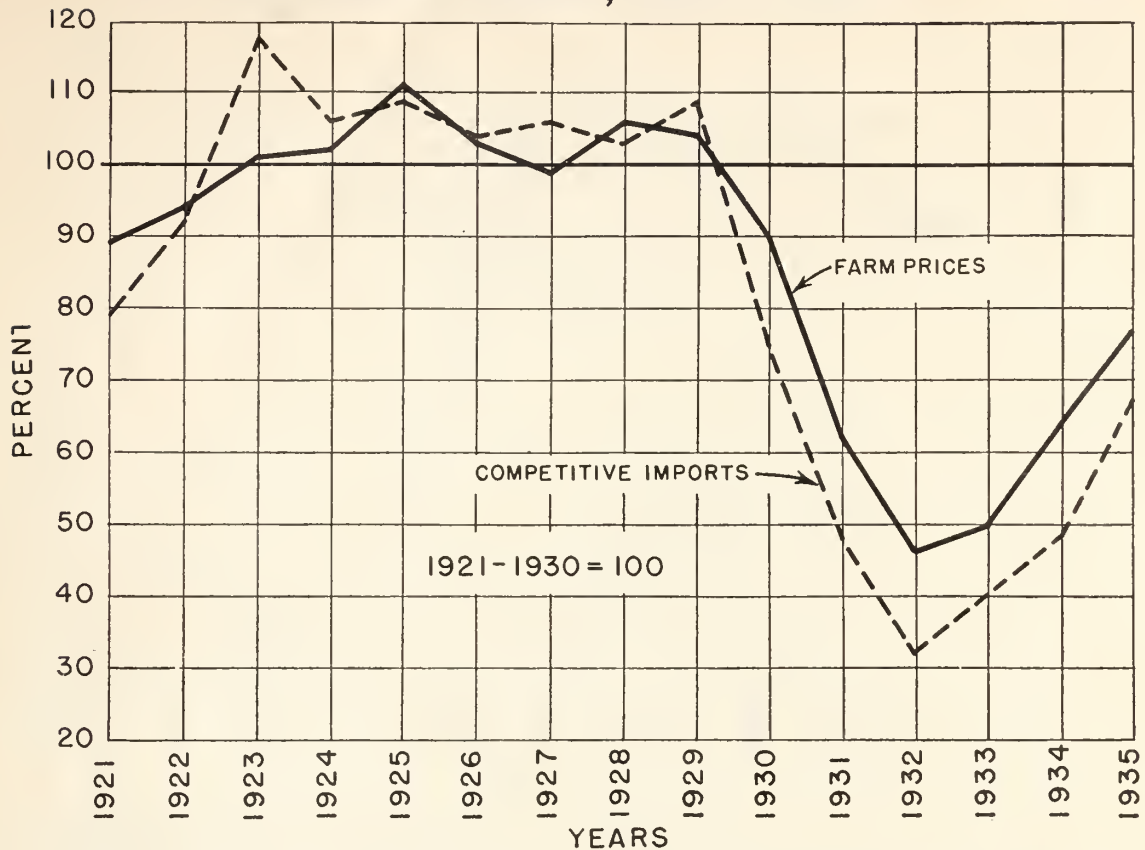
The income of farmers in the United States in 1935, when the competitive agricultural imports were valued at 623 million dollars, was 8,110 million dollars. The income of farmers in the United States in 1932, when competitive imports were valued at only 296 million dollars, was only 5,337 million dollars, the lowest in the recent history of this country.

The sharp decline in imports between 1929 and 1932 was due chiefly to the collapse in industrial activity and in industrial and agricultural prices. The rise since then has also been due to the general advance in prices, in industrial activity, and consumer purchasing power. An additional factor, particularly in the value of the 1935 imports, was the drought of 1934 and the smaller total volume of farm production of 1934 and 1935. About 15 percent of the total value of imports for 1935 may be attributed to the drought of 1934 and the balance to the general agricultural and industrial situation.

The American farmer has been better off from the standpoint of total income in the years when competitive imports have been large than in the years when such imports have been small.

Gross farm income, value of industrial production, and value of competitive agricultural imports are not equal in amount, but all three follow the same general trend of increases or decreases with changes of time and conditions. For the year 1929, the value of imports of competitive agricultural products (minus sugar) amounted to 6.7 percent of the gross income from farm production. For the year 1932 the corresponding percentage was 3.7 percent. The percentages for other years during the period 1921-35 range between these percentages.

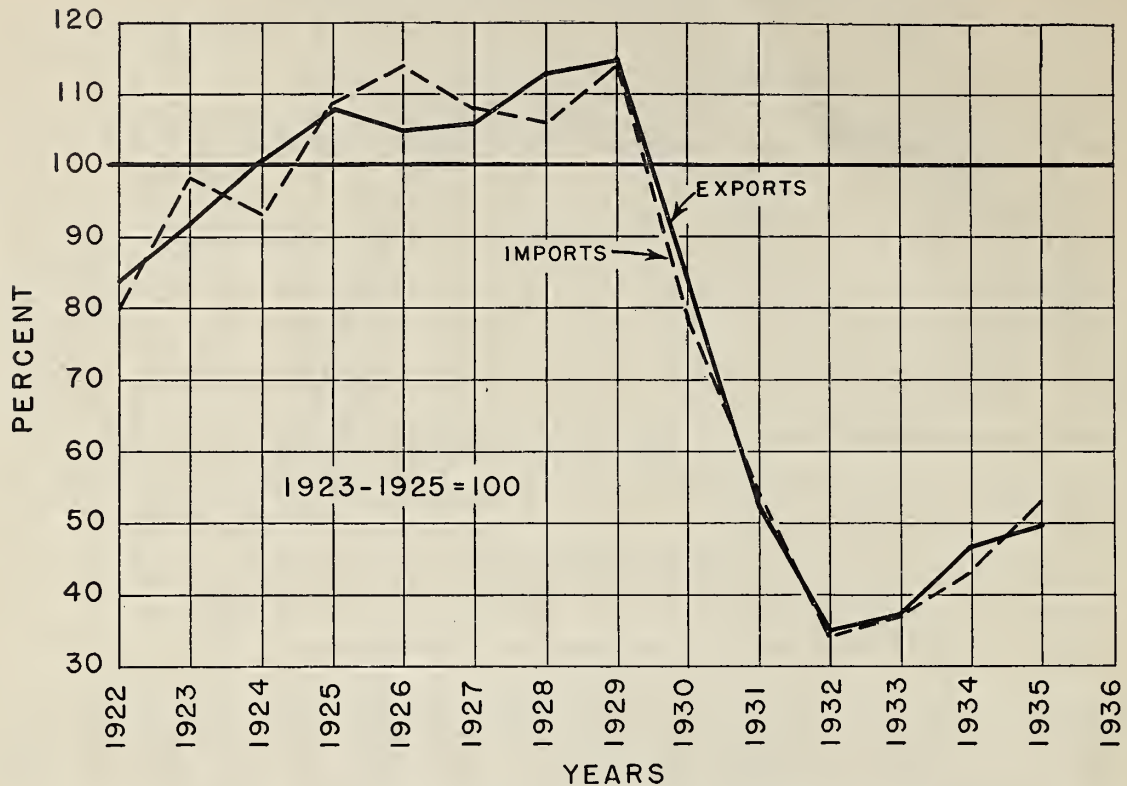
COMPETITIVE AGRICULTURAL IMPORTS AND FARM PRICES, 1921-1935



In the more prosperous years farm prices are high enough so that imports are attracted into the American market over the prevailing tariff wall. In the years of very low farm income prices are so low in this country that the American market is not attractive to imports.

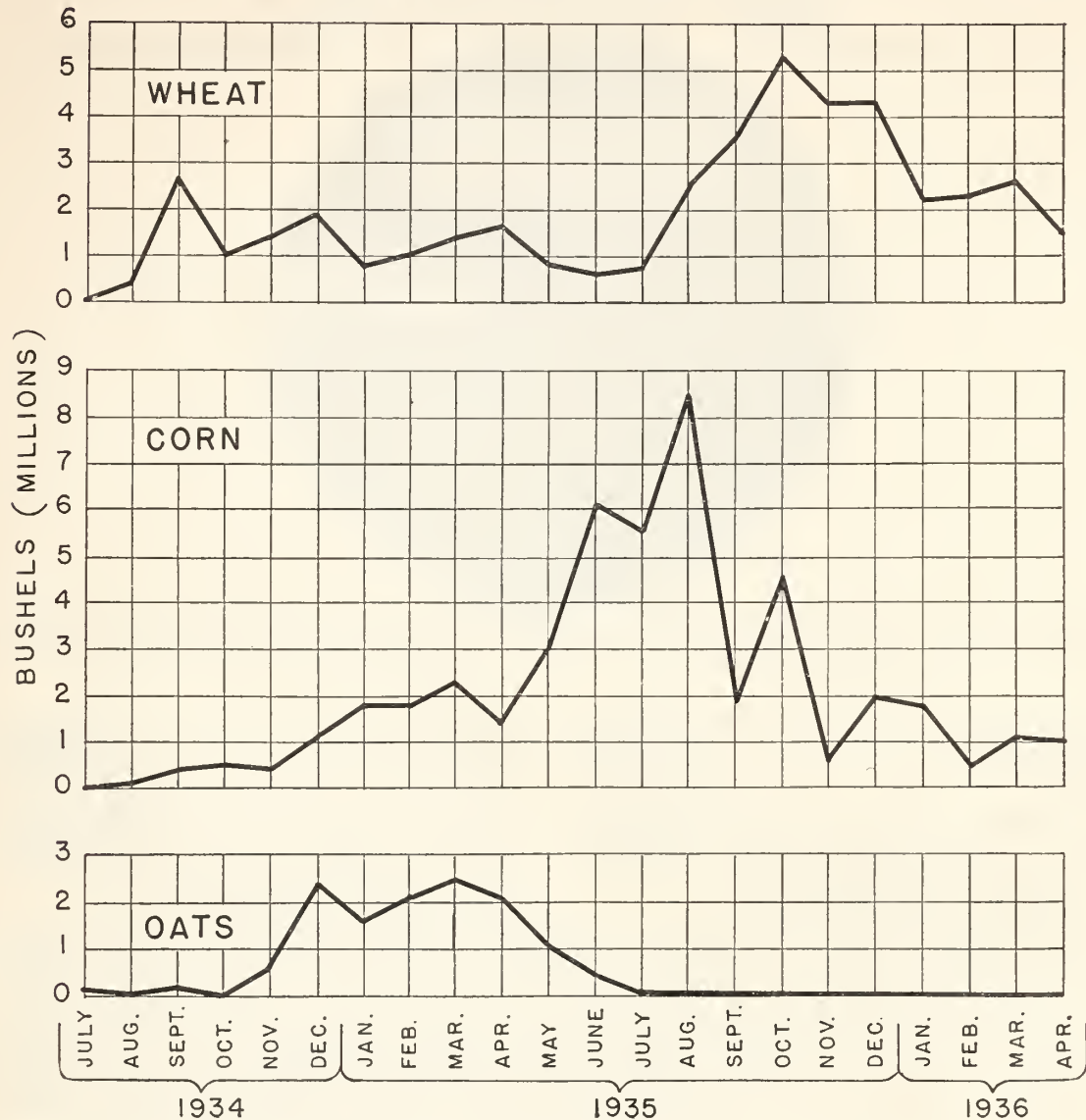
In the case of wheat, corn, oats, rye, and other products which were affected by the drought, the fundamental fact that should be borne in mind in considering imports in relation to farm income and farm prices is that prices received by American farmers are determined primarily by the supply-and-demand situation in the United States and that increased imports are a *result* of relatively high prices, and decreased imports are a *result* of relatively low prices.

RELATIONSHIP OF TOTAL VALUE OF EXPORTS TO TOTAL VALUE OF IMPORTS



The above chart shows that the value of the goods we sell to foreigners follows very closely the value of the goods we buy from foreigners. This is true because dollars spent abroad can be used by foreigners for expenditures only in the United States. If we spend more dollars for imports, foreigners will have to use such an additional supply of dollars in the United States. The result, other things remaining equal, will be an increase in our exports.

TREND OF WHEAT, CORN AND OATS IMPORTS BY MONTHS. JULY 1934 TO APRIL 1936 INCLUSIVE



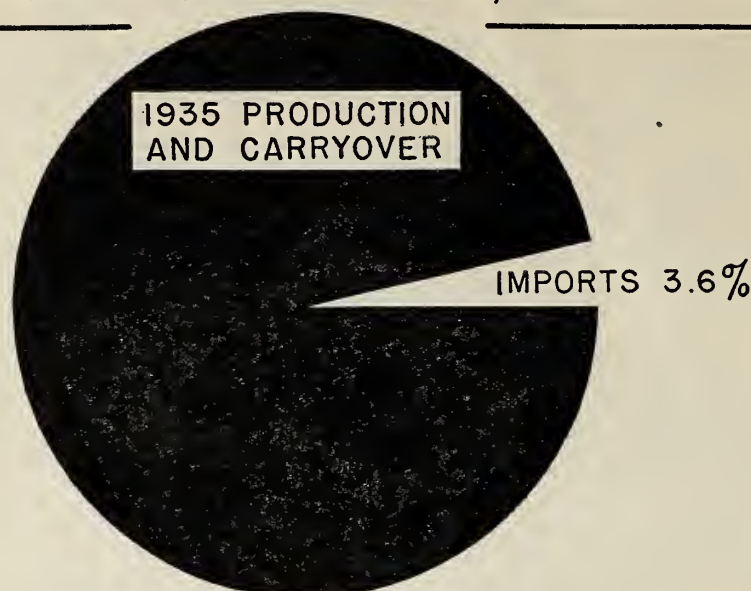
Wheat.—The wheat imported in 1935 amounted to 27,439,000 bushels or 3.2 percent of the United States average production for the years 1928–32. Imports of wheat have continued into 1936 to some extent because the United States spring wheat crop in 1935, on account of rust damage, was much below domestic needs, and importations of hard spring wheat are being made to supply the needs for this type of wheat. The short crop of hard spring wheat in 1936, resulting from the drought, may continue these imports, although the country still has a total carry-over of wheat amounting to 125 million bushels.

Corn.—The imports of corn began to decline very rapidly when the 1935 United States corn crop became available. The imports of corn were largely due to the great drought loss of 1,003,336,000 bushels for the year 1934.

Oats.—The imports of oats were due to the 1934 drought losses, and since the 1935 United States oat crop became available the imports of oats have practically ceased.

WHEAT IMPORTS

IMPORTS AND U.S. SUPPLIES, 1935



1935		1932	
	Bushels		Bushels
United States crop.....	603, 199, 000	United States crop.....	745, 788, 000
Carry-over.....	151, 954, 000	Carry-over.....	391, 605, 000
Imports.....	27, 439, 000	Imports.....	9, 382, 000
Available supply.....	782, 592, 000	Available supply.....	1, 146, 775, 000
Exports.....	4, 948, 000	Exports.....	82, 118, 000
Average price per bushel, 83.8 cents.		Average price per bushel, 37.9 cents.	
Farm value of crop, \$505,394,000.		Farm value of crop, \$282,808,000.	

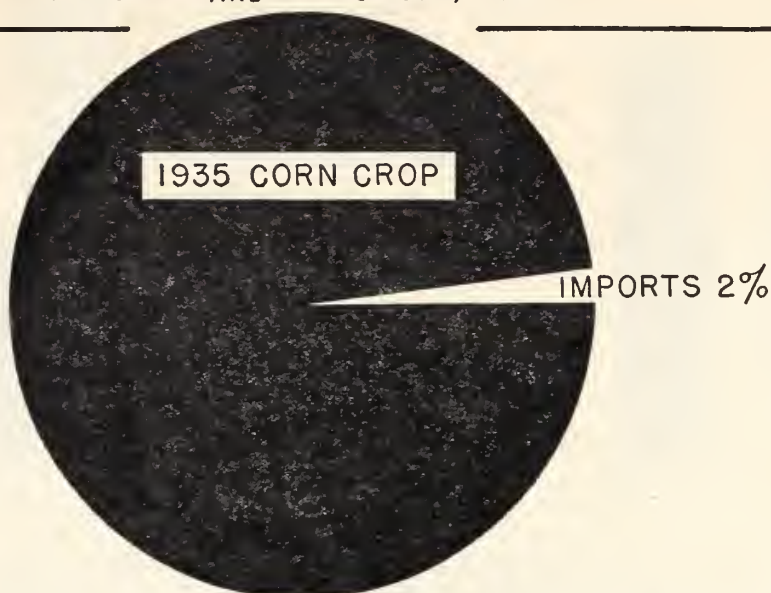
The drought caused a great shortage of wheat and feed grains, and, on this account, the United States imported some wheat during the year 1935.

Of the 27,438,870 bushels of wheat imported in 1935, 12,929,154 bushels, or 47 percent, was unfit for human consumption and was used as feed for livestock. Of the 14,509,716 bushels of wheat dutiable at 42 cents per bushel imported for human consumption a large proportion was durum and hard spring wheat needed to take the place of the drought losses of these types of wheat.

In the year 1934 the United States produced only 7,086,000 bushels of durum wheat as compared with 26,777,000 bushels in 1935 and as compared with an average production for the years 1928-32 of 53,909,000 bushels.

CORN IMPORTS

IMPORTS AND U.S.CROP , 1935



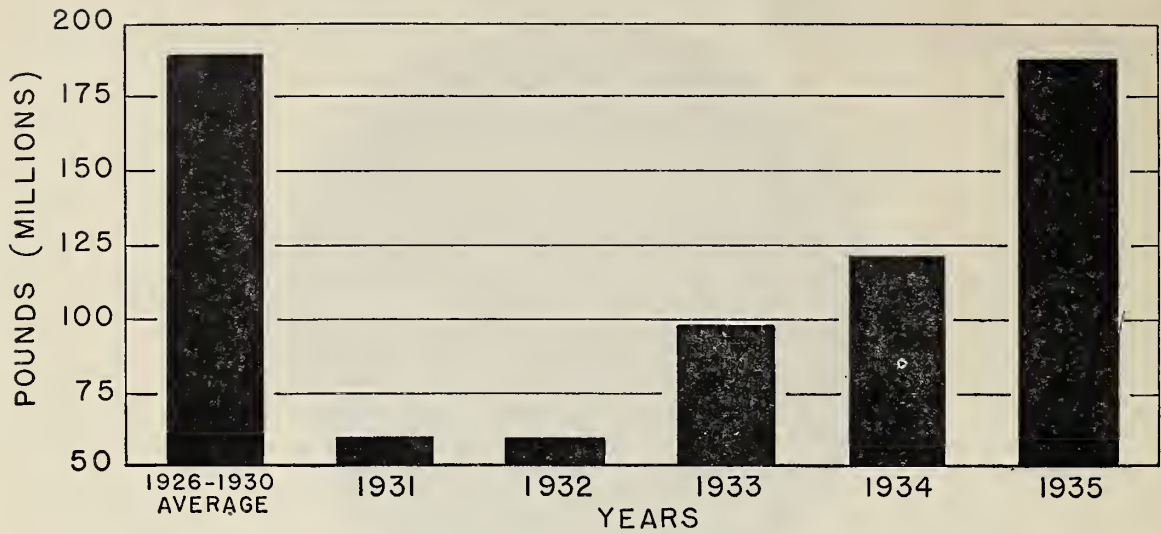
1935		1932	
	<i>Bushels</i>		<i>Bushels</i>
Imports.....	43, 242, 296	Imports.....	195, 000
Exports.....	177, 382	Exports.....	8, 775, 000
Net imports.....	43, 064, 914	Net exports.....	8, 580, 000
Average price per bushel, 57.7 cents.		Average price per bushel, 31.8 cents.	
Farm value of crop, \$1,271,089,000.		Farm value of crop, \$925,277,000.	

The imports of corn were largely due to the great drought losses amounting to approximately 1,003,336,000 bushels for the year 1934. The imports of corn for the 16-month period, September 1934 to December 1935, inclusive, amounted to only 4.5 percent of the 1934 drought losses.

Even with imports of corn for the year amounting to approximately 43 million bushels the farm value of the 1935 corn crop was 37 percent greater than the value of the 1932 crop, when exports of corn exceeded imports by 8.5 million bushels.

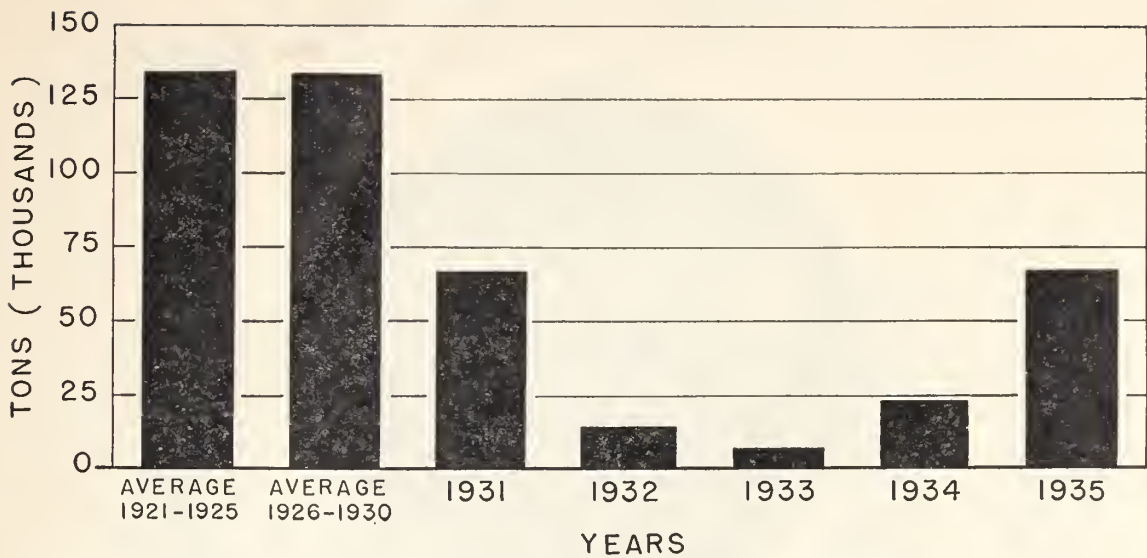
The exports of corn in the form of pork and pork products, even with the great drought losses, were about as large as the 1935 United States imports of corn.

IMPORTS OF SOYBEAN, COTTONSEED AND LINSEED OIL MEAL AND OIL CAKE MEAL



The combined imports of soybeans, cottonseed, and linseed oil meal and oil cake meal for the year 1935, are equal to the average imports of these commodities for the 5-year period 1926-30. The increased imports for the year 1935 were due largely to the affects of the drought in reducing livestock feed supplies. The drought reduced our feed supplies 50,000,000 tons from the average.

IMPORTS OF HAY

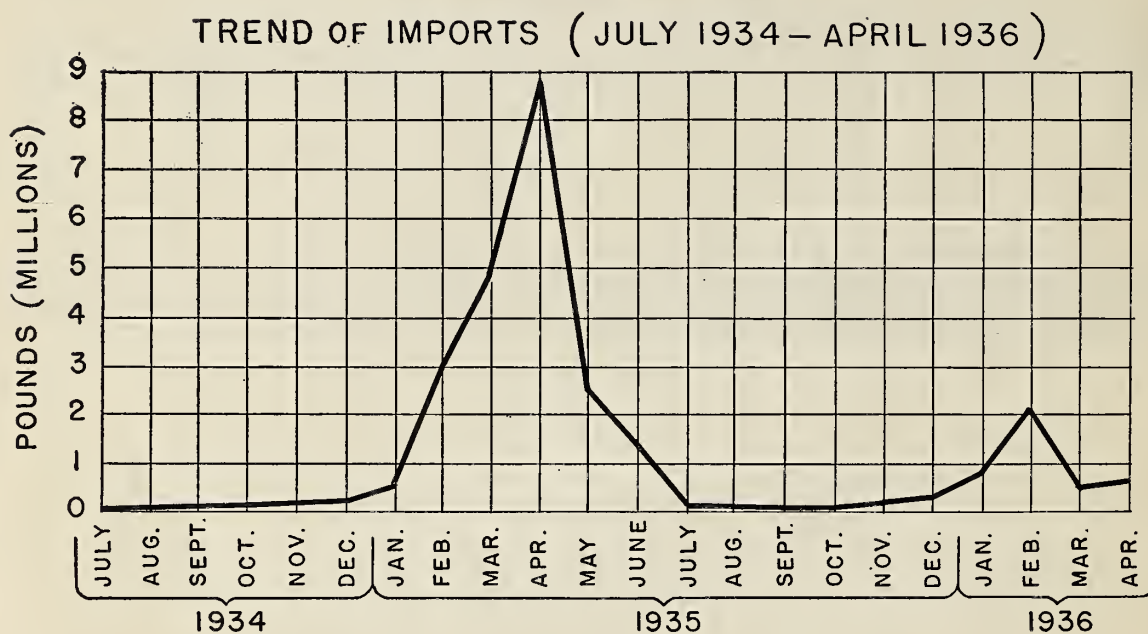
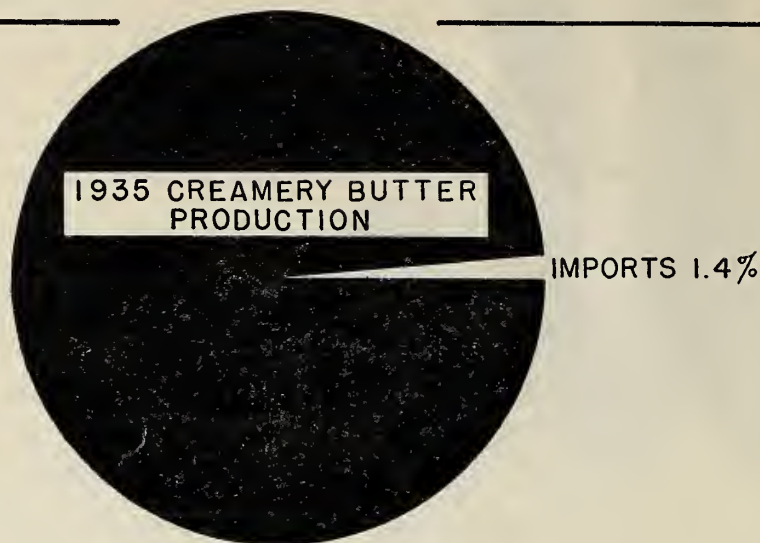


Years	Amount (tons)	Percent of 1921-25 imports
1921-25 average.....	133, 801	100
1926-30 average.....	133, 347	99. 6
1931.....	67, 440	50. 4
1932.....	13, 858	10. 3
1933.....	7, 376	5. 3
1934.....	23, 259	17. 3
1935.....	67, 171	50. 2

The 1935 imports of hay amounted to seven hundredths of 1 percent of the 1935 United States hay crop of 87,620,000 tons. Part of the imports of hay were due to the fact that, at the urgent request of farmers in the drought area, the President removed the duty on hay brought into specified drought-stricken counties. The duty was restored on July 1, 1936.

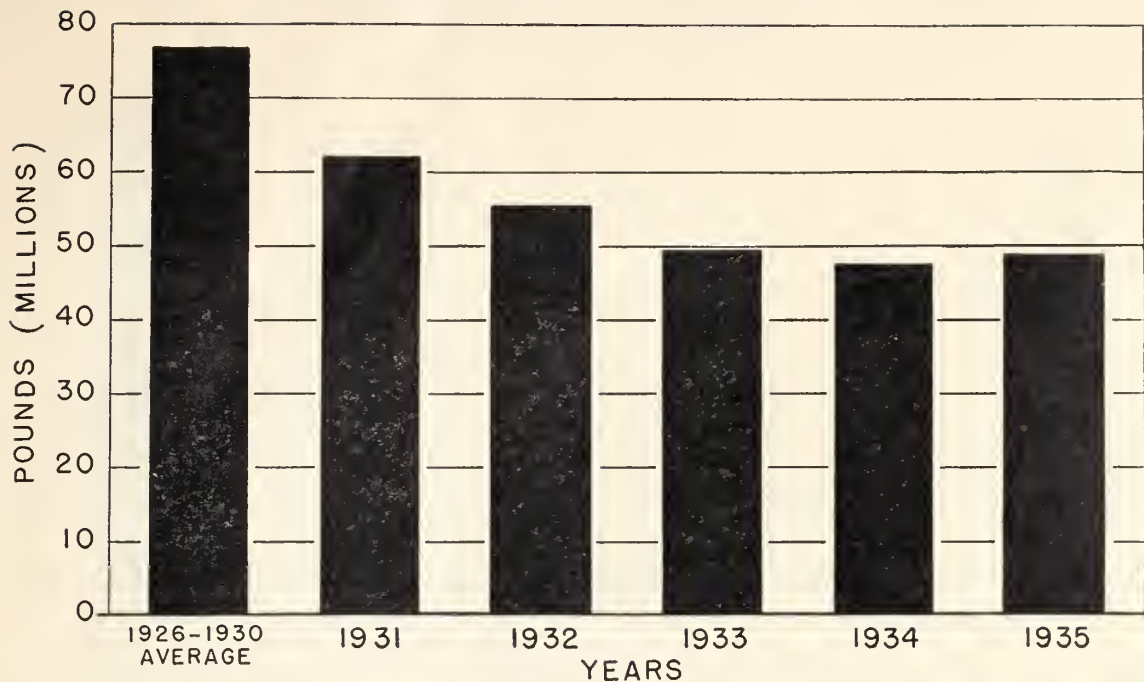
IMPORTS OF BUTTER

IMPORTS AND U.S. CREAMERY BUTTER PRODUCTION, 1935



With the 1935 imports of butter amounting to only 1.4 percent of the creamery butter production for the year, the trend of imports for the first 3 months of 1936, which were 58 percent less than for the first 3 months of 1935, indicates that the total imports for the year 1936 are certain to show a marked reduction from the quantity imported in 1935.

IMPORTS OF CHEESE



The imports of cheese for the year 1935 amount to 63.6 percent of the average annual imports for the years 1926-30, inclusive.

Years:	Imports	Amounts
1926-30 average.....		76, 862, 000
1931.....		61, 991, 000
1932.....		55, 623, 000
1933.....		49, 497, 000
1934.....		47, 533, 000
1935.....		48, 933, 000

The average imports of cheese for the period 1928-32 were equal to 14.1 percent of the United States average production for the same period, while the imports for the year 1935 equaled but 10 percent of the 1928-32 United States production and but 8.2 percent of the estimated United States production of cheese for the year 1935.

IMPORTS OF CREAM AND MANUFACTURED MILK PRODUCTS

	<i>Imports of cream</i>	<i>Gallons imported</i>
Years:		
1926-30 average.....		3, 679, 000
1931.....		79, 000
1932.....		118, 000
1933.....		25, 000
1934.....		None
1935.....		793
1936:		
January.....		10
February.....		248
March.....		1, 035
April.....		2, 043

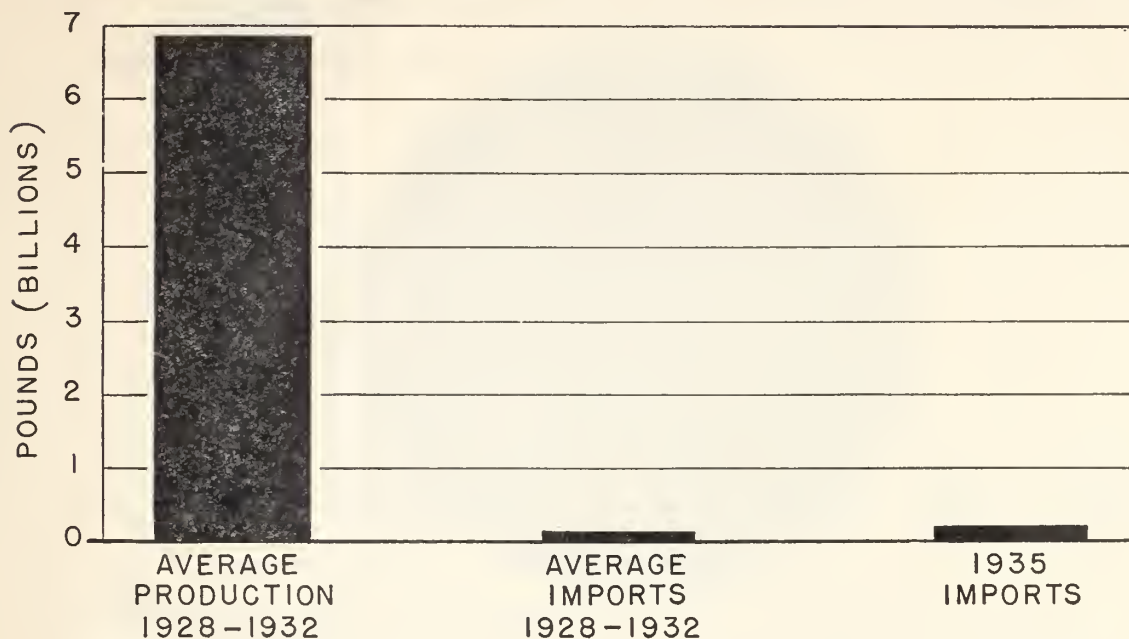
The imports of cream have been very small since the period 1926-30. Under the reciprocal trade agreement with Canada, effective January 1, 1936, the duty was reduced on a quota of 1,500,000 gallons. During the first 4 months of the agreement, however, the actual imports of cream have totaled only 3,336 gallons, which indicates that in spite of the duty reduction the American market is not attractive to shippers of Canadian cream.

Imports and exports of condensed and evaporated milk and dried milk

Year	Condensed and evaporated milk		Dried milk	
	Imports	Exports	Imports	Exports
	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>
1926-30 average	2, 228	106, 755	5, 777	4, 314
1931.....	1, 245	75, 085	1, 134	12, 790
1932.....	1, 188	50, 807	591	3, 558
1933.....	921	37, 190	138	2, 450
1934.....	310	46, 165	6	3, 120
1935.....	603	37, 117	2, 743	2, 751

The United States is on an export basis for manufactured milk products. Imports, even in 1935, of condensed, evaporated, and dried milk, were much smaller than exports.

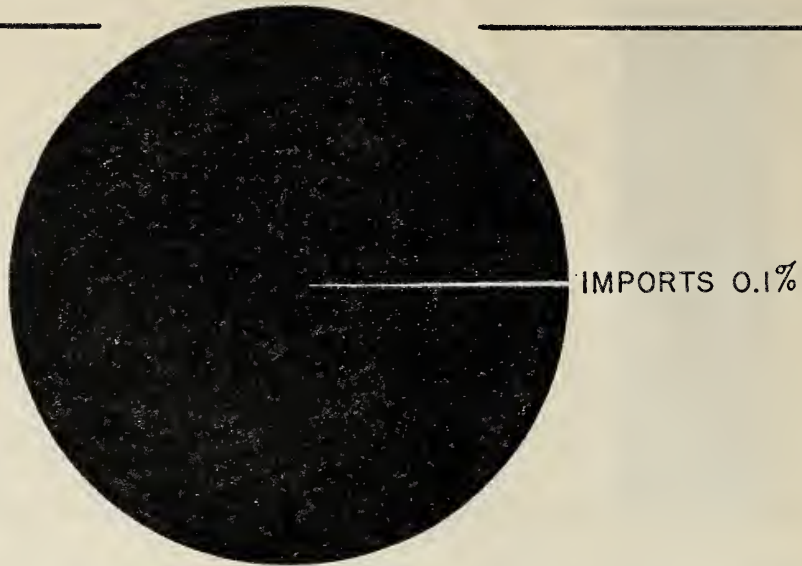
IMPORTS OF FRESH, CANNED AND PICKLED BEEF, COMPARED TO THE AVERAGE U.S. PRODUCTION.



The average beef production in the United States for the period 1928-32 amounted to 6,884,616,000 pounds. During the same period the average imports amounted to 143,621,000 pounds or 2.1 percent of the average production. For the year 1935 the imports of beef amounted to 201,002,000 pounds or 3.0 percent of the average production for the period 1928-32.

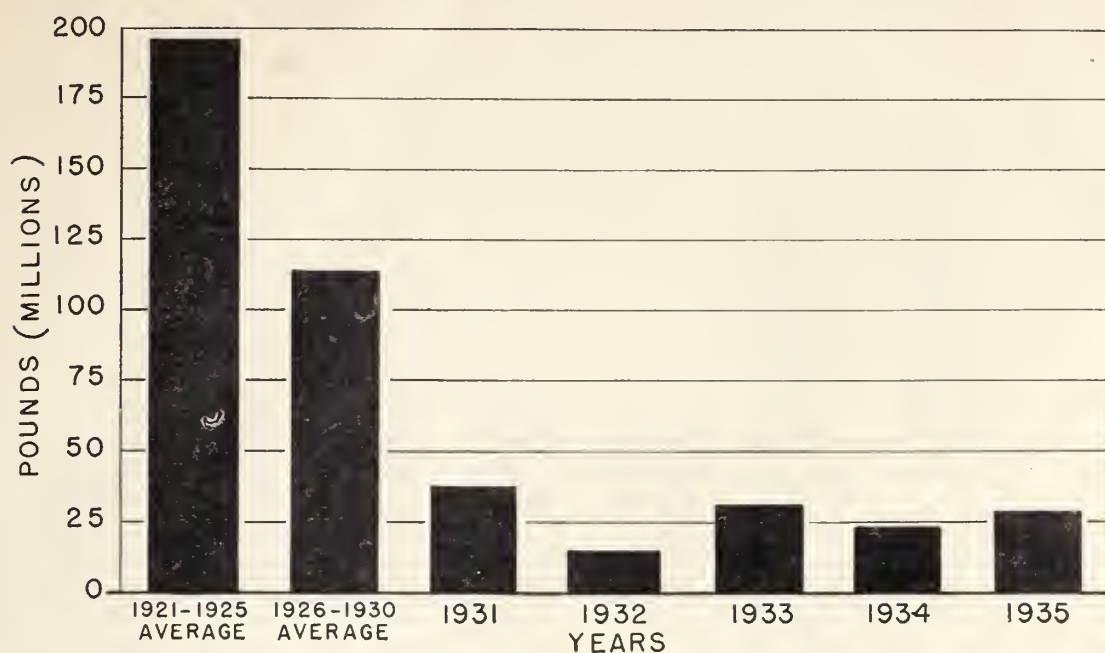
IMPORTS OF HOGS AND PORK PRODUCTS 1935

PERCENT OF AVERAGE U.S. PRODUCTION 1928-1932



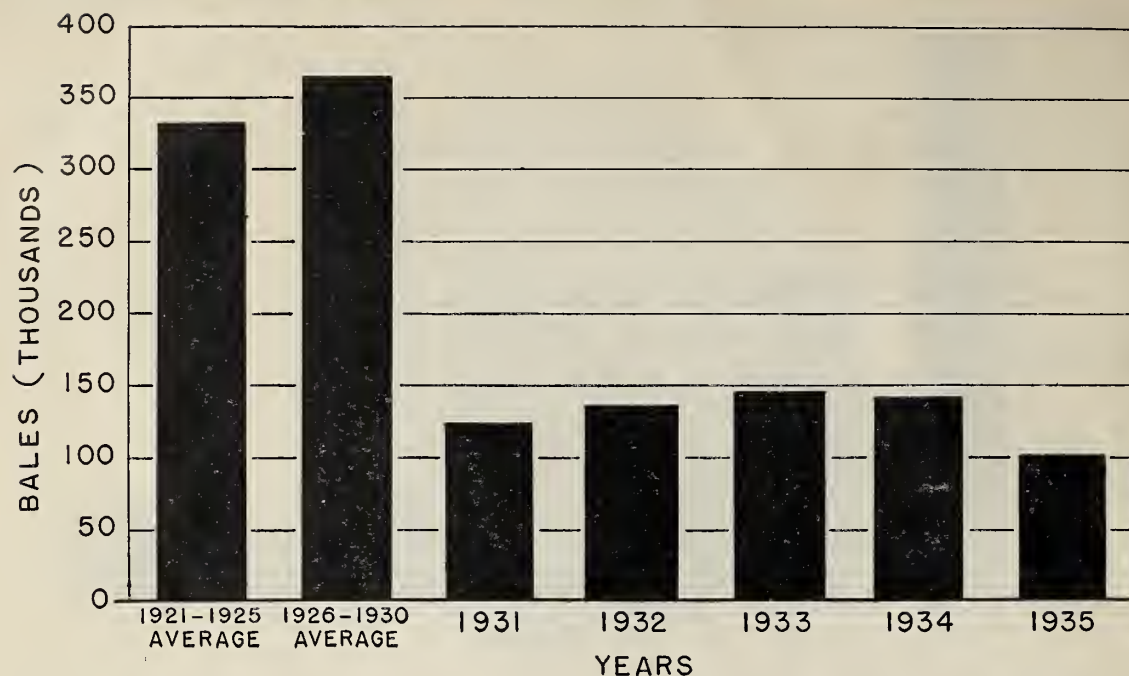
The imports of pork in 1935 represented only one-tenth of 1 percent of the United States total production of pork, excluding lard. The United States exports of cured pork in 1935 exceeded the imports by a large amount, as indicated by the fact that the imports amounted to only 11.3 percent of the exports.

IMPORTS OF CLOTHING AND COMBING WOOLS



The imports of clothing and combing wools, which are competitive with the types of wool produced in the United States, have decreased to small amounts as compared with the imports for the periods 1921-25 and 1926-30.

IMPORTS OF COTTON (UNMANUFACTURED)



Although the United States is the world's largest exporter of cotton, it imports relatively small amounts of certain special types. These imports in 1935 amounted to 100,800 bales or but 28 percent of the 1926-30 average imports. The 1935 imports constituted less than 1 percent of the 1935 United States cotton production.